

LNF & IHCIF Calculations Illustration

- HUPA HEALTH ASSOCIATION in California area -

Given Data

- 2,780 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 45% = % Expenditures on purchased services, 55% = % expenditures in-house
- 109.6% = Cost index for purchasing health care in this geographic area
- 121.1% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,470 per person for purchased services = $45\% * 109.6\% * \$2,980$
- \$1,985 per person for in-house services = $55\% * 121.1\% * \$2,980$
- \$3,455 per person total = \$1,470 (purchase) + \$1,985 (in-house)
- **\$3,314 per person total** adjusted for health status = $\$3,455 * 95.9\%$
- **\$2,569 per person net cost** = $\$3,314 - \745 Other resources (M&M&PI)

Existing Expenditures (for 2,780 users excluding wrap-around and collections)

- \$1,296 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,572 per person for OU users** = $\$1,296 + \$222 + \$54$

LNF Calculation

- **47.4% Gross LNF** = $\$1,572$ (expenditures) / $\$3,314$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **61.2% Net LNF** = $\$1,572 / \$2,569$ net cost ($\$3,314 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 61.2% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

HUPA HEALTH ASSOCIATION Unmet Needs

- **\$7,141,942 Net Total Need** = 2,780 users * \$2,569 net cost
- **\$2,771,877 Net Unmet Need** = $(100\% - 61.2\% \text{ LNF}) * 2,780 \text{ users} * \$2,569 \text{ net cost}$